### **D.C. Economic Indicators**

September 2004 Volume 4, Number 12

Government of the District of Columbia \* \* \*

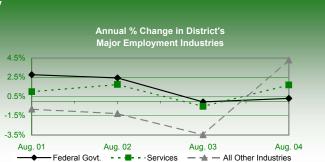
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## **Labor & Industry**

Jobs in D.C. for August 2004 up 13,400 (2.0%) from 1 year ago

District resident employment for August 2004 down 2,600 (-0.9%) from 1 year ago



#### Labor Market ('000s): August 2004a

#### Private Employment ('000s): August 2004

|   |                                      | D.C.             |               | Metro                 | <u>area</u>   |                          |           | 1 yr. change |       |  |
|---|--------------------------------------|------------------|---------------|-----------------------|---------------|--------------------------|-----------|--------------|-------|--|
|   |                                      | Level            | 1 yr. ch.     | Level                 | 1 yr. ch.     |                          | Level     | Amt.         | %     |  |
| Employed residents                            | Employed residents                   |                  | -2.6          | 2,845.7               | 59.0          | Manufacturing            | 2.5       | 0.0          | 0.0   |  |
| Labor force                                   |                                      | 304.5            | -1.6          | 2,941.1               | 56.7          | Construction             | 13.7      | 0.7 5        |       |  |
| Total wage and salary em                      | ployment                             | 675.0            | 13.4          | 2,900.0               | 66.7          | Wholesale trade          | 4.2       | -0.3 -6.7    |       |  |
| Federal government                            |                                      | 193.9            | 0.6           | 348.3                 | 1.8           | Retail trade             | 17.3      | 0.3          | 1.8   |  |
| Local government                              |                                      | 43.9             | 4.9           | 270.2                 | 4.0           | Utilities & transport.   | 6.6       | 0.2          | 3.1   |  |
| Leisure & hospitality                         |                                      | 50.2             | 1.8           | 253.7                 | 7.0           | Publishing & other info. | 24.7      | 0.0          | 0.0   |  |
| Trade   |                                      | 21.5             | 0.0           | 345.2                 | 14.4          | Finance & insurance      | 19.6 -0.1 |              | -0.5  |  |
| Services                                      |                                      | 286.8            | 4.8           | 1,080.6               | 26.1          | Real estate              | 11.5 0.4  |              | 3.6   |  |
| Other private                                 |                                      | 78.7             | 1.3           | 602.0                 | 13.4          | Legal services           | 34.5      | -0.6         | -1.7  |  |
| Unemployed                                    |                                      | 23.3             | 1.0           | 95.4                  | -2.3          | Other profess. serv.     | 65.7      | 4.4          | 7.2   |  |
| New unempl. claims (stat                      | v unempl. claims (state program) 1.5 |                  | -0.1          |                       |               | Empl. Serv. (incl. temp) | 10.1      | -0.6         | -5.6  |  |
| Sources: U.S. Bureau of Labor                 | Statistics (BLS)                     | ) & D.C. Dept. o | of Employment | Services (DOES        | 5)            | Mgmt. & oth. bus serv.   | 36.0      | 1.4          | 4.0   |  |
| <sup>a</sup> not seasonally adjusted          |                                      |                  |               |                       |               | Education                | 32.1      | 0.2          | 0.6   |  |
|   |                                      |                  |               |                       |               | Health care              | 52.6      | -0.1         | -0.2  |  |
| D.C. Hotel Industry <sup>b</sup> Airport Pass |                                      |                  | Passenger     | <b>S</b> <sup>c</sup> | Organizations | 50.4                     | 1.0       | 2.0          |       |  |
| Aug. 2004                                     | Amt.                                 | 1 yr. ch.        | Aug. 2004     | Amt.('000)            | 1 yr. % ch.   | Accommodations           | 14.3      | 0.4          | 2.9   |  |
| Occupancy Rate                                | 67.8%                                | 4.0              | Reagan        | 1,336.6               | 9.9           | Food service             | 30.3      | 1.4          | 4.8   |  |
| Avg. Daily Room Rate                          | \$132.29                             | \$12.83          | Dulles        | 2,350.7               | 44.0          | Amuse. & recreation      | 5.6       | 0.0          | 0.0   |  |
| # Available Rooms                             | 26,225                               | 475              | BWI           | 1,926.4               | -3.2          | Other services           | 5.4       | -0.9         | -14.3 |  |

<sup>&</sup>lt;sup>b</sup> Source: Smith Travel Research <sup>c</sup> Source: Metropolitan Washington Airports Authority & Maryland Aviation Administration Authority <sup>a</sup> weighted average

Source: BLS. Details may not add to total due to rounding.

## Revenue

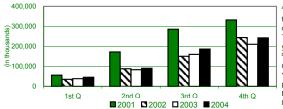
FY 2004 (Oct.-Sept.) business income tax collections up 15.5% from 1 year ago

Total

5.613.7

FY 2004 (Oct.-Sept.) total tax collections up 12.9% from 1 year ago

Cumulative Business Income Tax Collections by Fiscal Year (Corporation and Unincorporated Business Franchise Taxes)



<sup>a</sup> Adjusted to exclude large one-time events and for changes in processing flows between FYs that distort current underlying economic trends. This does not, therefore, report actual year-overyear revenue growth for the budget.
<sup>b</sup> Includes sales taxes allocated to the

16.0<sup>d</sup>

Total

Includes sales taxes allocated to the
 Convention Center.

\*\*\* Not meaningful due to payment timing or

processing factors.

Note: Growth rates in some taxes reflect legislated changes in tax rates.

#### Adjusted General Fund Revenue Collections<sup>a</sup>

1.8

437.2

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|------------------------------|------------------|------------------|
|                              |                  | o-date           |
|                              | % cr             | ange             |
|                              | FY 2004          | FY 2003          |
|                              | (Oct 03 -Sep 04) | (Oct 02 -Sep 03) |
| Property Taxes               | 11.4             | 16.4             |
| General Sales <sup>b</sup>   | 8.3              | 2.6              |
| Individual Income            | 11.6             | -1.7             |
| Business Income              | 15.5             | 2.0              |
| Utilities                    | 3.4              | 18.7             |
| Deed Transfer                | 44.6             | 59.2             |
| All Other Taxes              | 24.1             | -10.3            |
| t Total Tax Collections      | 12.9             | 5.1              |
| Addenda:                     |                  |                  |
| Indiv. Inc. tax withholding  |                  |                  |
| for D.C. residents           | 7.3              | 3.9              |
| Sales tax on hotels and      |                  |                  |
| restaurants allocated        |                  |                  |
| to Convention Center         | 7.0              | 8.5              |
| Source: D.C. Office of Tax a | nd Revenue and   |                  |
| Office of Re                 | venue Analysis   |                  |

# People & Economy

- D.C. unemployment rate for Sept.: 7.9%, up from 7.5% last month & up from 6.8% 1 yr ago
- Home mortgage rate for Sept.: 5.8%, down from 5.9% last month & down from 6.1% 1 yr ago



| U.S. GDP                          | % change  | for yr. ending         | CPI                            | % change for yr. ending D.C. Population |           |  |                 |          |           |
|-----------------------------------|---|------------------------|--------------------------------|---|-----------|--|-----------------|----------|-----------|
| Source: BEA                       | 3 <sup>rd</sup> Q 2004                                  | 2 <sup>nd</sup> Q 2004 | Source: BLS                    | Sept. 2004                              | Jul. 2004 | Source: Cen                            | sus             | Level    | 1 yr. ch. |
| Nominal                           | 6.2   | 7.1 <sup>†</sup>       | U.S.                           | 2.5                                     | 3.0       | Estimate for                           | or:             |          |           |
| Real                              | 3.9   | 4.8 <sup>†</sup>       | D.C./Balt. metro area          | 3.1                                     | 2.9       | July                                   | 1, 2000         | 571,437  | 1,224     |
| Personal Income                   | 1   |                        |                                |   |           | July                                   | 1, 2001         | 572,716  | 1,279     |
| Source: BEA                       | % change  | for yr. ending         | Unemployment Rate <sup>c</sup> |   |           | July                                   | 1, 2002         | 569,157  | -3,559    |
| Total Personal Income             | 1 <sup>st</sup> Q 2004                                  | 4 <sup>th</sup> Q 2003 | Source: BLS                    | Sept. 2004                              | Aug. 2004 | July                                   | 1, 2003         | 563,384  | -5,773    |
| U.S.                              | 5.2   | 4.6                    | U.S.                           | 5.4                                     | 5.4       | Components of Change from July 1, 2002 |                 |          | , 2002    |
| D.C.                              | 5.1   | 3.1                    | D.C.                           | 7.9                                     | 7.5       | Natural                                | Births          | 7,910    | Total     |
| Wage & Salary Portion             | Vage & Salary Portion of Personal Income Interest Rates |                        |                                | National Average Deaths                 |           |  | 6,164           | 1,746    |           |
| U.S.                              | 4.2   | 3.5                    | Source: Federal Reserve        | Sept. 2004                              | Aug. 2004 | Net Migr.                              | Net Int'l       | 4,180    |           |
| Earned in D.C.                    | 4.5   | 2.9                    | 1-yr. Treasury                 | 2.1                                     | 2.0       |  | Net Dom.        | (11,837) | (7,657)   |
| Earned by D.C. res'd <sup>b</sup> | 5.2   | 2.3                    | Conv. Home Mortgage            | 5.8                                     | 5.9       | Net Chang                              | je <sup>d</sup> |          | (5,773)   |

<sup>&</sup>lt;sup>a</sup> Nominal <sup>b</sup> estimated <sup>c</sup> seasonally adjusted <sup>d</sup> Includes federal resident employee movement (military/civilian) and the statistical residual



- Condo sales in 3<sup>rd</sup> Q 2004 up 8.8% from 1 year ago
- Leased office space in 2<sup>nd</sup> Q 2004 up 0.7 msf from 1<sup>st</sup> Q 2004



| <b>Housing Sales</b>      |                        |             | D.C. Housing Per           | mits Issued            | ł         | D.C. Commercial Office Space  |                        |            |  |
|---------------------------|------------------------|-------------|----------------------------|------------------------|-----------|-------------------------------|------------------------|------------|--|
| Source: MRIS <sup>a</sup> | 4 Qs ending            | 1 yr. % ch. | Source: U.S. Census Bureau | 4 Qs ending            | 1 yr. ch. | Source: Delta Associates      |                        |            |  |
| Completed contracts       | 3 <sup>rd</sup> Q 2004 |             |                            | 3 <sup>rd</sup> Q 2004 |           | Vacancy Rate (%)              | 2 <sup>nd</sup> Q 2004 | 1 qtr. ch. |  |
| Single family             | 5,867                  | 3.3         | Total housing units        | 1,323                  | -411      | Excl. sublet space            | 5.7                    | -0.2       |  |
| Condo/Co-op               | 3,903                  | 8.8         | Single family              | 239                    | -1        | Incl. sublet space            | 6.9                    | -0.2       |  |
| Prices (\$000)            | 3 <sup>rd</sup> Q 2004 | 1 yr. % ch. | Multifamily (units)        | 1,084                  | -410      |                               |                        |            |  |
| Single family             |                        |             | Class A Market R           | ate Apt. Re            | ntals⁴    | Inventory Status <sup>e</sup> | 2 <sup>nd</sup> Q 2004 | 1 qtr. ch. |  |
| Median <sup>b</sup>       | \$375.0                | 15.4        | Source: Delta Associates   | 2 <sup>nd</sup> Q 2004 | 1 yr. ch. | Total Inventory               | 110.7                  | 0.4        |  |
| Average <sup>c</sup>      | \$501.3                | 15.7        | Apartment units currently  |                        |           | Leased space <sup>f</sup>     | 104.5                  | 0.7        |  |
| Condo/Co-op               |                        |             | under construction         | 3,100                  | -1,476    | Occupied space <sup>g</sup>   | 103.1                  | 0.7        |  |
| Median <sup>b</sup>       | \$320.0                | 23.1        | Add'l planned units likely |                        |           | Under construction            |                        |            |  |
| Average <sup>c</sup>      | \$354.2                | 23.6        | within next 36 months      | 845                    | -566      | or renovation                 | 6.4                    | 1.0        |  |

<sup>&</sup>lt;sup>a</sup> Metropolitan Regional Information System as reported by the Greater Capital Area Association of Realtors bedian for Sept. c 3rd quarter average

d Investment grade units, as defined by Delta e In million square feet f Calculated from vac. rate excl. sublet g Calculated from vac. rate incl. sublet